

CMS ENERGY

Panhandle Pipe Line Companies

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October 26, 2001

Department of the Interior
Minerals Management Service
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Attn: Rules Processing Team (RPT)

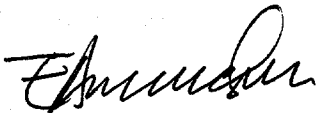
RE: **Proposed Rule**
Oil and Gas and Sulphur Operations in the Outer Continental Shelf - Safety
Measures and Procedures for Pipeline Modifications and Repairs

1010-AC75

Please find attached comments submitted by CMS Panhandle Pipeline Companies on behalf of their subsidiaries Trunkline Gas Company and Sea Robin Pipeline Company. The comments are in response to the Mineral Management Service's request for comments regarding the above referenced proposed rule.

If you have any questions or require any additional information, please contact me at 713-989-7460.

Sincerely,



Eric Amundsen
Director of Technical Services

CC:
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Introduction

CMS Panhandle Pipeline Companies (CMS), through its subsidiaries, Panhandle Eastern Pipeline Company, Trunkline Gas Company and Sea Robin Pipeline Company operates an extensive interstate natural gas transmission system. This pipeline system receives natural gas from the major production areas of the Gulf Coast and OCS for transportation and sale in the Upper Midwest of the United States. The operation of this pipeline system is subject to the requirements of Title 49 CFR Parts 190, 191, 192, 193, and 199 and certain parts of Title 30 CFR Part 250 as they apply to Pipeline ROW.

CMS supports the efforts of the Mineral Management Service to streamline regulations and to make them more understandable by writing them in plain language. We feel that this enhances the Regulations by making them clear and concise to the User. Our main concern is the issue of Jurisdiction that is now being threatened by a Regulation that seems to exceed the authority given to MMS by Congress and crosses the boundary established by the DOT and DOI in their MOU¹. Jurisdictional issues aside, we feel that MMS has grossly underestimated the resources that implementation of this new Rule will require and the effect it will have on the Supply of Natural Gas.

Proposed changes to the Regulation exceed the Authority of DOI and infringe on the Authority of the DOT

The Secretary of Transportation is charged with prescribing minimum standards for Pipeline Safety and the protection of the Environment in 49 U.S.C. 60102. The Secretary of Transportation is not allowed to prescribe the location or routing of pipelines by 49 U.S.C. 60104. The Secretary of the Interior is charged with issuing pipeline ROW grants in 43 U.S.C. 1334 (e), to meet a responsibility not under the jurisdiction of the Department of Transportation and which they are prohibited from performing by Law (49 U.S.C. 60104 (e)). The Department of the Interior is expressly prohibited from affecting the authority provided by Law to the Secretary of Transportation with respect to Pipeline Safety by 43 U.S.C. 1347(d) and is charged with consulting with other Federal Departments to prevent inconsistent or duplicate requirements in 43 U.S.C. 1347(e).

Pipeline right-of-way holders, including Trunkline Gas Company and Sea Robin Pipeline Company are predominately Transmission Pipeline Companies, subject to Department of Transportation's 49CFR192 in respect to design, construction, testing, operation, maintenance and

¹ (MOU) Memorandum on Understanding between the Department of Transportation and the Department of the Interior Regarding Outer Continental Shelf Pipelines, executed on December 10, 1996, between Bruce Babbitt, Secretary of the Department of the Interior and Federico Pena, Secretary of the Department of Transportation.

pipeline safety. The specific reference to right-of-way holders in the provisions of the proposed rule reveals the intent of the Department of the Interior, MMS to subject pipelines currently subject to the Department of Transportation Pipeline Safety Rules to additional pipeline safety rules authored by the Department of the Interior. CMS believes this to be in conflict with current United States Code.

Proposed Regulation Conflict with existing DOI and DOT (MOU)

CMS feels that the wording in the proposed Regulation contradicts the DOI and DOT Memorandum of Understanding (MOU). The MOU places to the greatest extent practical, producer-operated pipelines under DOI regulation and transporter-operated pipelines under the jurisdiction of the DOT. CMS is subject to DOT 49CFR192 on all matters except the granting and relinquishment of permits for pipeline Right-of-Way, which is covered under 30CFR250, Subpart J.

The proposed rule, by including right-of-way pipelines, violates the MMS/DOT MOU, Item #3 "Division of Responsibilities" DOI Responsibilities which state that the DOI's responsibility ends "... upstream of the point at which operating responsibility transfers from a producing operator to a transporting operator."

CMS, as a DOT regulated Operator in the OCS, understands the responsibility of the MMS to monitor the safety of personnel and the environment in the OCS and as a prudent Operator, we inform the MMS of our Activities as they pertain to the modification of our ROW. These notifications provide the information required to allow the MMS to review our work plans enhancing overall project safety and allow them to provide the benefit of their knowledge and experience. We firmly believe that design; construction, operation and maintenance activities as they pertain to CMS and other Transportation Companies, should remain under DOT authority and subject only to DOT regulations.

CMS supports the efforts of the Minerals Management Service (MMS) to issue regulations under 30 CFR Part 250 to regulate and improve the safety of the MMS regulated offshore production operators and facilities. We offer the following comments on the proposed rule to assist MMS in creating effective and practical safety rules for offshore production operators.

Proposed Regulation's Impact and required Resources

The proposed rule does not address emergencies where delays associated with obtaining DOI; MMS approval could adversely affect life, property and the environment. Discussions in the Notice of Proposed Rulemaking refer only to the impact due to Companies scheduling work.

Proposed Regulation's Impact and required Resources (Continued)

Although, most work completed on the OCS is scheduled, MMS should investigate the effect of the Proposed Regulation's effect on Emergency Response.

The proposed rule does not address whether or not pig launcher or receiver doors are considered flanges. It could certainly be argued that these doors are not flanges, although some facilities constructed for launching or receiving pigs do use blind flanges as a means of inserting or extracting the cleaning device from the pipeline.

If in fact the proposed rule does include pig launcher and receiver doors, then it would appear that the pipeline operator would have to apply for and receive approval for each and every time a pig is to be inserted or removed from a pipeline. We question that this is what the MMS really intended. Maybe there needs to be some provision for standing approvals of repetitive tasks where no modifications in facilities have occurred? We further offer that the MMS promulgate regulations requiring the establishment of written procedures for launching and receiving cleaners that include all of the safety, supervision, and notification requirements mentioned within the proposed rule that apply to pipelines under DOI jurisdiction according to the MMS/DOT MOU.

The 200 (approximate) notifications received annually pertaining to modifications or repairs is probably low and definitely does not include normal operation and maintenance activities such as pigging, meter run inspections, compressor valve inspections, regulator or relief device repairs. It would be reasonable to expect that possibly ten or more times as many notifications will occur if the rule is passed unaltered. This increase would likely overload the management system in place for such approvals and result in an unreasonable delay.

We would encourage some analysis and comment concerning MMS liability and personal liability on the part of the MMS employee who approves or modifies a work plan in the event injury or death occurs in the course of completing that work plan approved by MMS.

The proposed rule does not address hot taps, which could be interpreted as "cutting into the line." This is a huge impact, in that hot taps are performed for the majority of pipeline tie-ins. By its nature, a hot tap is done with pressure and combustibles remaining inside the line and that pressure not being equal to pressure outside the line "external pressure". This would seem to be in conflict with proposed Sec. 250.1007 (c) (2), which would require equal pressures inside and outside the pipeline and purging of all combustibles. This could be interpreted as a requirement to evacuate (blow down) the pipelines carrying natural gas thereby wasting resources (natural gas) and potentially impacting the Natural Gas Supply. We feel that wording that specifically excludes hot taps from any notification/approval process be inserted.

Proposed Regulation's Impact and required Resources (Continued)

A more practical approach for MMS would be to require the operator to develop the necessary procedures and have them available for inspection rather than requiring the procedures to be submitted for approval for each modification or repair. Preparation, submittal review and approval of these procedures are time consuming and the paperwork intensive for both the operator and the MMS.

The requirement for onsite supervision during the entire modification and repair is unclear. It is not practical to have a Supervisor present at all locations where flanges are removed or the pipeline cut into. This is especially true if operation and maintenance functions such as meter run inspections are included, where typically a technician not a Supervisor may be in charge.

CMS feels that defining a pipeline that has not transported oil, natural gas, sulfur, or produced water within 30 days, as out-of service is too stringent. We feel that 18 months is more realistic and would account for the majority of service interruptions and would allow time for the addition of Production in order to allow the continued use of valuable pipeline assets.